

Overview – H.R. 3634 Federal Prison Industries Competition in Contracting Act

What is FPI?

UNICOR, the trade name for Federal Prison Industries, Inc. (FPI), is a government-owned corporation that employs offenders incarcerated in correctional facilities under the Federal Bureau of Prisons (BOP). UNICOR manufactures products and provides services that are sold to executive agencies in the federal government. Examples include: the manufacturing of clothing and textiles, office furniture, custom engraving, heavy equipment remanufacturing, and services such as call center and help desk support.

How does the bill benefit American workers and American businesses?

Competing for contracts provides for the best value for taxpayer dollars. Specifically:

- The bill requires FPI to compete for government contracts, minimizing unfair competition with the private sector firms and their non-inmate workers
- Requires FPI to submit a detailed analysis of the probable impact on the private sector with proposals that would expand sales of new products or services
- Prohibits FPI from selling products commercially
- Prevents prison produced goods from entering interstate or foreign commerce, except for existing contracts
- Requires agencies to research private sector products based on price, quality, and time of delivery before making a purchase from FPI to best meet agency needs
- Requires purchasing agencies to negotiate terms and conditions of contracts and price paid with FPI, cannot exceed fair and reasonable price determined by the Federal Acquisition Regulation

How does the bill help inmates?

- Imposes federal occupational, health, and safety standards on FPI with respect to its industrial operations
- Allows inmates within FPI to work for a tax-exempt charity, religious organization, or local governmental unit or school district (eligible entities) that have an agreement with FPI
- Requires the Department of Labor to set an hourly minimum wage rate for inmates (Fair Labor Standards Act of 1939) 50% of min. wage by 2012 and 100% by 2017
- Establishes an Enhanced In-Prison Educational and Vocational Assessment and Training Program to help with release readiness preparation

Other items included in the bill:

- Gives separated FPI employees eligibility for appointment in competitive civil service, register on Board of Prisons (BP) reemployment priority list, and given priority for appropriate positions at BP
- Directs FPI to develop proposals to donate products and services to charitable entities that provide goods or services to low-income individuals
- Gives FPI a 5 year period to adjust to obtaining inmate work opportunities, including enhancing access to remedial, vocational, and alternative work options
- Allows FPI to supply or subcontract with federal contractors or subcontractors with stipulations on commercial markets, certain Buy America requirements, and procurement preferences for the blind or disabled
- Prohibits agencies from contracting with FPI in which inmates would have access to sensitive or classified information